Chains find different solutions to tailored merchandising plans

Although drug chains are experiencing dramatic growth in ethnic cosmetic sales, the category is not an easy one for chains to manage.

Most chains only have a marginal percentage of stores located in high-traffic African-American neighborhoods, so their distribution of the category is limited. That restricts their ability to advertise the category chainwide.

Even if the category is approved for a significant number of stores, warehousing chains have to create a planogram intended only for ethnic neighborhood locations. What's more, they must develop a system for distributing product to two different types of stores.

"Having two planograms is not a significant problem in terms of inventory," says Kathy Johannes, cosmetic buyer-Kerr Drug, "but it is much more difficult to manage. You have to know what to send to which stores . . . When we decided to create a second planogram for ethnic neighborhood stores, we used data processing to create a zone merchandising program. We think we will be able to generate more of a profit because we're moving things through the warehouse, but we will have to see it after it is in place to see how well it is working."

Photo courtesy of Tropez

Alternative uses

Although this is the first time the chain has used a zone merchandising program, Johannes is considering other ways to use it—in ethnic hosiery, for example.

At K&B Drug, cosmetic buyer Donna McManus has three ethnic cosmetic lines: Posner, Shades of You and Zuri. In the 90 ethnic stores she buys for, MaManus plans to expand the department later this year from 8 feet to about 13 feet.

All product will be shipped through the K&B warehouse, but reorders will be controlled by the stores. "I decide what goes into the stores," says McManus, "and I order the initial shipments. From there, the cosmeticians reorder as the product sells through. If they get a request for something they don't stock every day, they can also order that through our master list," she said. "Since stores receive at least weekly shipments, it only takes between two and five days to fill any customer's request."

McManus says K&B will be advertising ethnic cosmetics more this year to increase the visibility of the category. "We'll feature something from every ethnic department in our full-color circulars, from cosmetics through hair and hosiery," she said.

Ad disclaimer: limited availability

To prevent customers from being disappointed when the stores they shop don't carry the items, the chain will run a disclaimer saying that products aren't available in all stores. If customers want to special-order the items, K&B cosmeticians can have the goods in the store in less than a week.

Oregon-based Pay Less Drug also warehouses its ethnic cosmetics, and lets designated stores pull the product in as needed. They don't advertise the category chainwide, but cosmetic buyer Shari Ralston says individual stores do a lot of local events, ranging from makeovers and sampling to direct mail.

Even a chain like Walgreens, with as many as 500 stores stocking ethnic cosmetics, has trouble advertising the category because as strong as it is, it's not offered chainwide. Generally, advertising must be done on a local or store level basis, through direct mail, store flyers, local newspapers or local radio.

For small chains like the 19-unit Crown Drug in North Carolina, it can take time to build the category. Currently, the chain has ethnic cosmetic departments in only four high-volume ethnic stores. Buyer Toni Markham says that because she can't advertise the department strongly, she has to wait for word of mouth to build sales.

"Maybelline has been very good to work with. My reps for Shades of You have given away coupons in the stores and that helps. Pavion, which makes Black Radiance, is also very easy to work with, and if I take in the line, I know they'll support the stores."

Using distributors

Because of the logistical difficulties involved in warehousing ethnic cosmetics, some chains like Harco Drug in Alabama and Perry Drug in Detroit have decided not to warehouse the highly specialized lines like Posner, Black Radiance or Zuri.

Instead, they either use full-service ethnic distributors to service their high-volume ethnic doors or they per-

Continued on page 41

The importance of African-American consumers

How African-American consumers shop

- They are **more brand-loyal** than general market consumers
- They are **intensive category shoppers**
- They look for **convenient locations and low, everyday prices**
- They are often **store brand buyers**
- They often feel **underserved** by chain retailers
- **31 percent** are heavy coupon users

Source: Segmented Marketing Services Inc.

New products push ethnic hot button

Continued from page 35

ucts into our stores."

Johannes has approved four lines for the Kerr's ethnic planogram: Maybelline's Shades of You, Artmatic's Tropez, Posner, and Almay's Darker Tones. She hopes to have the planogram up in all 38 ethnic neighborhood stores by the end of March.

At K&B, cosmetic buyer Donna McManus says category sales have been successful, with Shades of You and Zuri—K&B's low-end line—doing particularly well. McManus is now deciding on other lines to add to her planogram: Revlon, Almay and Black Radiance are all under consideration.

At Perry Drug, cosmetic buyer Mary Hoepfner is seeing sales increase for Shades of You, Black Radiance and Posner, and she reports that sales have been steady on Revlon's Polished Amber line.

Later this year, Hoepfner may add two more ethnic color collections to her planogram. In designated ethnic neighborhood stores, she plans to split the 4-foot section currently devoted to Almay and give half of the space to the company's Darker Tone collection. Hoepfner will also give Revlon the option to use some of the cosmetic company's space for its ethnic cosmetic shade collection in appropriate stores.

Harco Drug has done so well with Maybelline's Shades of You that the Alabama chain is seriously considering expanding the line chainwide and adding it to warehouse inventory.

After six-months sales experience in 22 ethnic stores, buyer Penny Wade says: "I've been getting requests for it in high-income white neighborhoods as well. I'm realizing that black women may not live in these neighborhoods, but they work there, and they're shopping where they work."

Cross-over line

"Also, I think Shades of You has become a cross-over line," she said. "A lot of different types of women are buying it. It is popular with Hispanics, with Asian women, with women with olive skin or darker skin. I find I can even use some of their products. So, I believe it should sell very well chainwide."

Harco is also testing Black Radiance as its price-point brand, and after two months in test stores, Wade says the line is doing very well.

Photo snaps back to end year on a hopeful note

By Allene Symons

Drug stores continue to dominate other trade classes in film processing by capturing 25.1 percent of market share, according to the latest PMA study based on third quarter 1991.

In the same study, PMA reports that the total number of rolls processed increased 0.9 percent in the first nine months of 1991. "That was really quite marvelous, considering the terrible first quarter," noted Barry Harrand, PMA's director of market research, who estimates that when fourth quarter figures are finalized, 1992 could tote up as much as a 2 percent or greater gain over 1991.

A survey of a half-dozen drug chains by *Drug Store News* shows that most experienced flat sales or a modest increase in the overall photo category for 1991. As one retailer said, "We are relatively thankful for the way the year came out."

On-site labs continue their growth curve at chain drug stores, according to the stores queried. On Eckerd's 321 on-site labs, vp-photoprocessing Ron Koch reports, "We're pleased with the performance of our one-hour labs. They continue to grow." He notes that minilab customers are likely to be upscale with discretionary dollars to spend. Another growth area for both on-site and overnight processing is commercial accounts,

Continued on page 56

Minilabs: Rolls processed per day

Average number of rolls/day	Percent of labs
41-70 rolls	40%
71-100 rolls	34
101-150 rolls	10
21-40 rolls	10
151-200 rolls	4
Under 20 rolls	2

Source: Wolfman Report, 1991.

Share of rolls processed
(Total U.S. by outlet type)

Drug store	25.1%
Camera store/ One-hour lab store	17.9
Discount department store	17.2
Mail order	15.9
Supermarket/ combo	15.7
Other	8.2

Chart reflects consumer activity in third quarter 1991.
Source: Photo Marketing Association.

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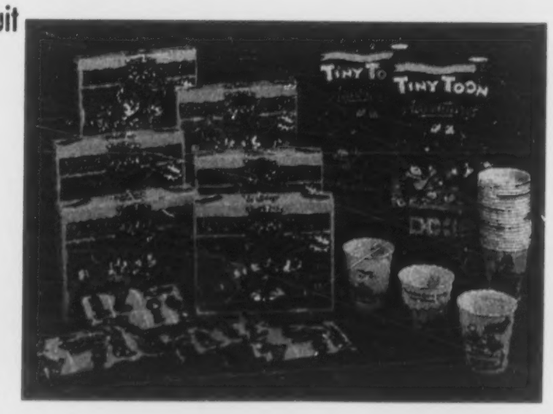

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**Source: Nielsen Research. Based on Weighted Average of 25 Metered Markets 10/31-11/27/91.

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Chains say 'photo-op' events build category sales

Zoom in on the Olympics—plus local and family photo events—then toss in a value-added offer. That sums up a current strategy to pump up film sales and processing business, say most film manufacturers and drug stores recently surveyed by *Drug Store News*.

The first task is to convince frugal consumers to snap more photos and think "photo-op." California-based Longs Drug Stores found that among its stores, photo departments promoting picture-taking events outperformed those without such programs. "One had a three-fold increase," said Kyle Westover, vp-training and communications.

At Chicago-based combo Dominick's, buyer Tavia Bender says, "People are finding less reasons to take pictures. We're going to try to help them find a reason" with photo contests and other events. On the West Coast, Bill's Drugs provides photo ops: a costumed character for Easter and an in-store Santa at Christmas. (The chain also throws in a complimentary photo.)

The launch of new and enhanced photo product, backed by colorful event-themed promotions, promises category-stimulating sales. Example: Kodak's new single-use Fun Saver Telephoto 35 camera, a model Kodak expects to grab the attention of sports and outdoor buffs.

The photo segment is enjoying a healthy boost from single-use units. Photo Marketing Association's director of market research Barry Harrand conservatively estimates that 12 to 15 million units were sold into the market in 1991, up from 9 million in 1990. Explains Ron Koch, Eckerd's vp-technical services, "We are very high on them because they introduce young people to photography in an inexpensive way," they appeal to seniors, serve as a premium for commercial accounts or supplement formal wedding photos.

Polaroid's summer picnic promotion ("It's no picnic without Polaroid Products") includes a special offer, with proof of purchase from selected products, of a personal-size Igloo cooler for $3.95. Polaroid is starting the year off with a buy-two-get-one-free offer for its OneFilm and will release a party film in its 600 Plus line featuring a preexposed border of party streamers.

When it comes to striking images, aside from poses by stumping politicians, the visual feast this year will be the Olympics. Major players Fuji and Kodak are primed to compete with their respective tie-ins.

Fuji's "Commitment to Excellence" will promote all of its consumer products throughout spring and summer. With a purchase of any two products, a customer qualifies for one of 12 collectible pins representing events in swimming, track and field. Fuji will pro-

Continued on page 56

Film sales growth by region

Total film rolls purchased

Total U.S.A.	0.8%
Geographic Divisions	
West South Central	11.6
West North Central	7.1
Mountain	6.2
South Atlantic	2.3
East North Central	– 0.5
Middle Atlantic	– 3.8
New England	– 3.5
Pacific	– 4.1

First 9 months 1991 vs. same period in 1990.

Source: Photo Marketing Association.

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Minilabs, value-added promos boost processing biz

Continued from page 52
according to Koch.

Other retailers are testing the concept. California-based Bill's Drugs is testing minilabs in two of its 24 stores, but buyer Stan Wisnicewski doesn't anticipate a diminishing of Bill's value-added program to promote overnight processing. Every month, Bill's gives away a consumable product, such as peanuts or Martinelli's cider, to any customer who brings in a roll for processing.

Walgreens is testing about five on-site labs. The chain promotes its photoprocessing with price-item advertising and various promotions like personal photo postcards. Customers reportedly are responsive to value-added promotions, including variations of twin-prints and enlargement. At Qualex, the largest wholesale processing lab, the director of marketing, research and analysis, Montey Dewey, reports that both twin prints and enlargement orders are increasing.

The choice between minilab (a larger, in-store system with greater volume and processing capabilty) and micro-lab (smaller, easier to operate) continues to hinge mainly on a question of volume. Micros are gaining in installations, but remain a small percentage of the on-site business, according to PMA.

Among the latest minilab entries are Fuji's SFA250 and SFA270. Thus far, Fuji has not entered the micro market. Others, however, appear to be attempting to blur the sharp micro/mini split. Gretag's Bob Deerin, director of retail sales and marketing, explains that the Stamford-based Gretag's Master Lab is "upgradable" and he notes, "Within four hours we can upgrade. You don't have to pull the machine out and put another in."

Konica—which has just introduced a new minilab, model 612—is also developing a market-bridging system for the niche between mini and micro. "It's more than a micro and less than a mini," said executive vp Thomas Meyer, who notes that this model, the 808, is also designed to facilitate customer service with its counter-height format.

Photo category snaps back as new year begins

Continued from page 54
vide POS materials to retailers, offer a sweepstakes and back the program with coupon-inclusive inserts in selected Sunday newspapers.

Kodak's Olympic tie-in, featuring an Olympic tote bag with proof of purchase, will promote the extension of its Gold Plus line to include 100 and 200 Gold Plus. The line, introduced last year with Kodak 400 Gold Plus, offers enhanced color accuracy and saturation with more exposure latitude, according to Kodak.

Also new from Kodak is Ektachrome 400 HC film. "Its attributes are richer blues and greens, improved sharpness and finer grain," explains Michael More, Kodak's director of editorial services.

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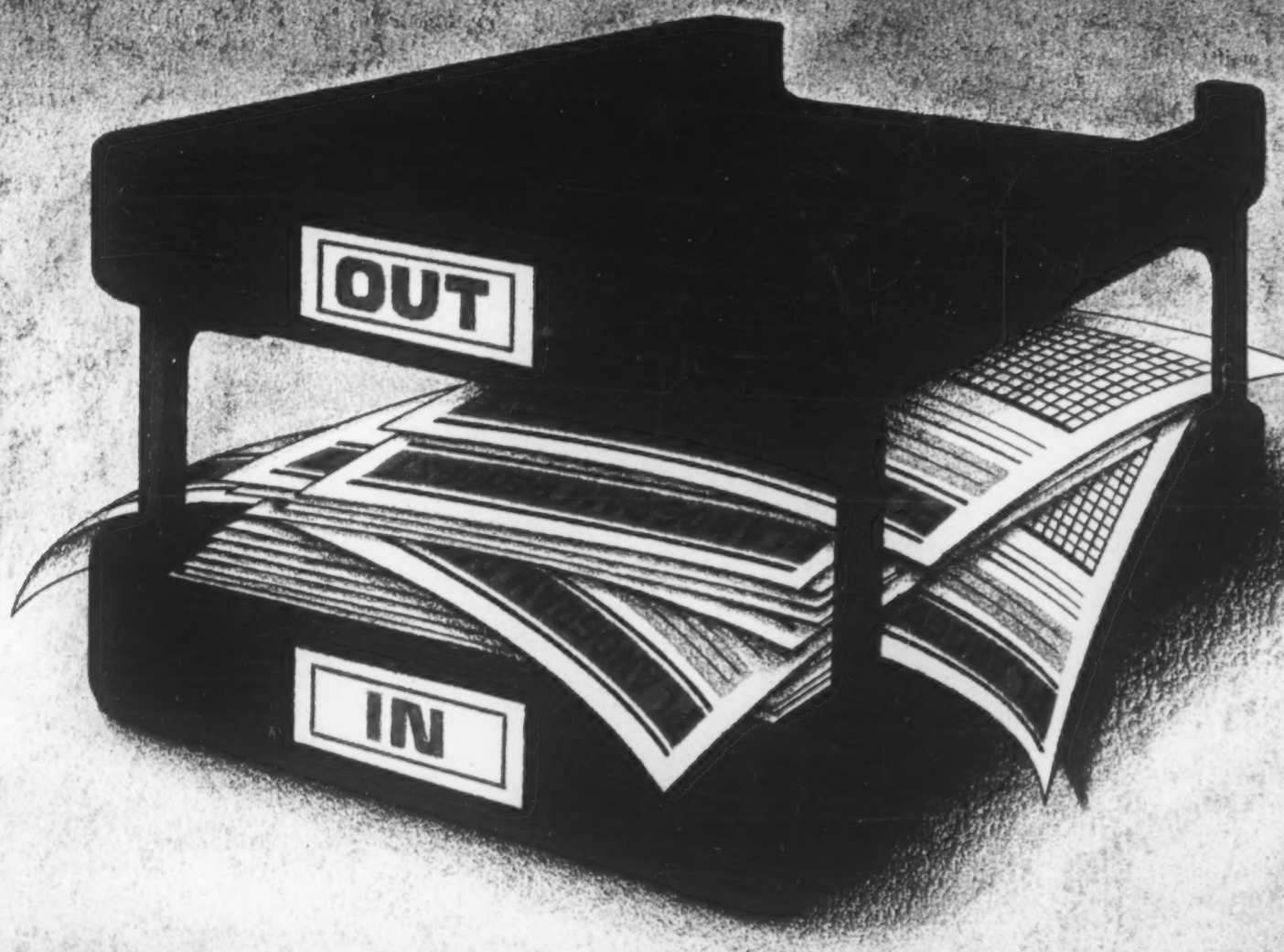

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Turley says IPO plan is moving ahead quickly

Turley
Eckerd

CLEARWATER, Fla. — The Jack Eckerd Corp. will go on with its estimated $300 million initial public offering "right away," chairman and president Stewart Turley told *Drug Store News*. "We're preparing a registration statement now and hope to be in position to go out with it as soon as the deal is consummated," he said.

Turley said that the deal to acquire Revco was "not contingent" on the timing of Eckerd's planned IPO, but added, "an IPO is desired by everyone" because it will strengthen Eckerd's capital structure. Thus, he said, the company is moving rapidly to take itself public again for the first time since its April 1986 leveraged buyout.

Proceeds of the IPO, which Turley predicted could net $285 million, will be used to pay down debt in the combined operations.

Three major investment bankers have agreed to co-manage the IPO, including Merrill Lynch & Co.

McK drug revenues up, third qtr. income declines

SAN FRANCISCO — McKesson Corp. reported an increase in third fiscal quarter revenues for its drug distribution business, up 30 percent to $2.4 billion from $1.8 billion, while operating profit declined 14 percent to $38.7 million from $45.1 million for the period ending December 31. For the nine months, drug unit revenues rose 25 percent to $6.6 billion from $5.2 billion with operating profit down 2 percent to $117.6 million from $120.4 million.

"After factoring out inflation, U.S. revenues of McKesson Drug showed excellent real growth in the quarter," said Alan Seelenfreund, chairman and ceo, "but with the sharp slowdown in pharmaceutical price increases from suppliers, profitability declined."

The quarterly results included revenues of about $300 million from the company's wholly-owned Canadian subsidiary, Medis, which were not included in the year-ago sales figures; year-to-date Canadian operations contributed about $660 million to revenues.

U.S. drug distribution revenues increased 13 percent in the quarter, reflecting in part a 27 percent increase in hospital business and higher sales of prescription and proprietary flu and cold products.

McKesson Corp.'s total third fiscal quarter revenues for all operating units reached record levels, an increase of 25 percent to $2.74 billion from $2.20 billion in the year-ago period. Net income fell 4 percent to $26.2 million from $27.3 million. Operating profit was off 6 percent to $62.2 million from $66.1 million.

For the nine months ended December 31, revenues were up 21 percent to $7.5 billion from $6.2 billion, while net income declined 1 percent to $77.7 billion and earnings per share were also down 1 percent. Operating profit was flat at $188.9 million compared to $188.7 million in the prior year.

McKesson's other operating units include Armor All, Service Merchandising, PCS and a bottled water business, with the drug unit comprising around 90 percent of revenues.

* * *

McKesson Corp. reported third fiscal quarter gains for its PCS division, with revenues up 8 percent to $26.6 million and operating profit, up 11 percent at $8.1 million.

The results reflect an increase in prescription claims processed, according to McKesson.

Nine-month revenues were up 11 percent to $75.9 million and operating profit 31 percent to $23 million.

The PCS segment represents a small contribution in revenue but is one of the most profitable of McKesson's operating units.

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Vol. 14, No. 3 Feb. 3, 1992

MARKET DIARY:

Largest Dollar Gainer	Penney, JC	$ 5.00	Advances	22
Largest Dollar Loser	Carter-Wallace	$ – 17.75	Declines	32
Largest Percentage Gainer	Lee Pharmaceutical	71.43%	Unchanged	6
Largest Percentage Loser	Mylan Labs	– 13.60%	New highs	22
			New lows	1

	Close 1/7/92	Close 1/21/92	Net Change	Percent Change
Drug Store News Index	4904.74	4986.56	81.82	1.67
Dow Jones Industrial Average	3204.83	3223.39	18.56	0.58
Standard & Poor's 500-Stock Index	417.40	411.82	– 5.58	– 1.34
N.Y.S.E. Composite	229.69	227.64	– 2.05	– 0.89
Value Line Index	252.70	257.37	4.67	1.85

Source: Nordby International Inc., Boulder, Colo.

DRUG STORE NEWS INDEX

Exch	Company	Ticker Symbol	Closing Price 1/7/92	Closing Price 1/21/92	Net Change In Period	Percent Change In Period	P/E Ratio	Annual Dividend Rate	Annual Dividend Yield	Annual High	Annual Low
Chain store transactions											
OTC	Accuhealth Inc.	ACCU	5.00	5.00	0.00	0.00	—	0.00	0.00	6.88	3.47
OTC	Arbor Drugs (H)	ARBR	24.00	23.50	– 0.50	– 2.08	26	0.12	0.51	24.50	13.00
OTC	Big B	BIGB	12.75	12.38	– 0.38	– 2.94	16	0.16	1.29	14.50	7.13
OTC	Drug Emporium	DEMP	7.63	8.38	0.75	9.84	—	0.12	1.43	9.63	5.50
NYS	Fay's Inc.	FAY	8.88	10.50	1.63	18.31	18	0.20	1.90	15.75	8.25
ASE	Genovese Drug	GDX.A	14.00	13.75	– 0.25	– 1.79	15	0.24	1.75	14.75	5.50
NYS	Longs Drug Stores	LDG	38.25	37.75	– 0.50	– 1.31	13	1.08	2.86	44.38	32.50
OTC	Medicine Shoppe (H)	MSII	27.50	26.75	– 0.75	– 2.73	21	0.36	1.35	30.75	19.00
NYS	Perry Drug (H)	PDS	10.00	9.38	– 0.63	– 6.25	16	0.00	0.00	10.13	5.13
NYS	Rite Aid Corp.	RAD	20.88	21.00	0.13	0.60	15	0.52	2.48	23.88	17.25
NYS	Walgreen Co. (H)	WAG	38.00	38.00	0.00	0.00	24	0.52	1.37	39.38	25.88
Wholesaler's transactions											
ASE	Bergen Brunswig	BBC	18.63	17.50	– 1.13	– 6.04	13	0.40	2.29	26.19	16.00
OTC	Bindley Western Ind.	BIND	17.00	17.00	0.00	0.00	13	0.04	0.24	18.25	11.75
OTC	Cardinal Distribution	CDIC	28.50	27.50	– 1.00	– 3.51	24	0.08	0.29	38.75	22.19
OTC	Durr-Fillauer	DUFM	21.25	21.63	0.38	1.76	15	0.28	1.29	34.75	17.50
NYS	McKesson Corp.	MCK	36.13	35.38	– 0.75	– 2.08	14	1.60	4.52	40.13	31.50
ASE	Moore Medical	MMD	4.00	4.88	0.88	21.88	—	0.00	0.00	9.25	3.00
NYS	Owens & Minor	OMI	21.25	21.00	– 0.25	– 1.18	24	0.20	0.95	24.25	9.34
Manufacturer's transactions											
NYS	Abbott Labs	ABT	67.88	62.00	– 5.88	– 8.66	24	1.00	1.61	69.75	41.63
NYS	American Home Products	AHP	82.38	76.75	– 5.63	– 6.83	18	2.60	3.39	86.25	48.38
ASE	Barr Laboratories	BRL	18.88	19.63	0.75	3.97	31	0.00	0.00	37.50	8.63
NYS	Baxter International	BAX	39.50	37.38	– 2.13	– 5.38	19	0.72	1.93	40.88	27.13
OTC	Block Drugs Co. (H)	BLOCA	57.50	60.00	2.50	4.35	20	0.84	1.40	61.00	37.13
ASE	Bolar Pharmaceutical	BLR	11.75	13.50	1.75	14.89	—	0.00	0.00	14.50	2.00
NYS	Bristol-Myers Squibb (H)	BMY	88.00	81.75	– 6.25	– 7.10	21	2.76	3.38	90.13	66.25
NYS	Carter-Wallace (H)	CAR	132.50	114.75	– 17.75	– 13.40	38	1.00	0.87	137.50	52.63
ASE	Columbia Labs (H)	COB	9.25	8.88	– 0.38	– 4.05	—	0.00	0.00	10.38	4.00
ASE	Forest Labs	FRX	40.38	36.00	– 4.38	– 10.84	35	0.00	0.00	43.63	24.75
ASE	Halsey Drug (H)	HDG	7.13	7.88	0.75	10.53	32	0.00	0.00	9.75	2.25
NYS	ICN Pharmaceutical (H)	ICN	20.63	22.38	1.75	8.48	—	0.00	0.00	25.38	2.63
ASE	Lee Pharmaceutical	LPH	0.88	1.50	0.63	71.43	—	0.00	0.00	2.25	0.75
ASE	Leiner P. Nutrition (H)	PLI	14.38	14.38	0.00	0.00	14	0.00	0.00	14.63	7.25
NYS	Lilly Eli Co. (H)	LLY	85.38	79.00	– 6.38	– 7.47	18	2.20	2.78	87.75	69.50
NYS	Marion Merrell Dow	MKC	37.50	36.13	– 1.38	– 3.67	18	0.92	2.55	39.63	27.25
NYS	Merck Co.	MRK	166.75	151.50	– 15.25	– 9.15	29	2.52	1.66	169.75	87.25
NYS	Mylan Labs (H)	MYL	41.38	35.75	– 5.63	– 13.60	37	0.20	0.56	43.25	17.50
NYS	Nova-Nordisk	NVO	95.63	85.38	– 10.25	– 10.72	20	6.00	7.03	96.00	61.00
OTC	Nutramax Products (H)	NMPC	9.63	9.50	– 0.13	– 1.30	26	0.00	0.00	9.75	0.88
NYS	Pfizer Inc. (H)	PFE	84.50	73.63	– 10.88	– 12.87	28	1.32	1.79	87.00	39.88
NYS	Pharmaceutical Resources (H)	PRX	6.50	7.00	0.50	7.69	—	0.00	0.00	7.50	2.63
NYS	Rhone-Poulenc Rorer (H)	RPR	64.25	61.25	– 3.00	– 4.67	23	0.48	0.78	69.38	34.63
NYS	Schering Plough	SGP	66.88	58.88	– 8.00	– 11.96	20	1.32	2.24	68.00	41.50
NYS	Syntex Corp. (H)	SYN	50.00	49.00	– 1.00	– 2.00	26	0.92	1.88	56.00	29.88
OTC	Taro-Vit Industries (H)	TAROF	5.88	8.88	3.00	51.06	68	0.00	0.00	9.13	2.75
OTC	Teva Pharmaceutical Ind. (H)	TEVIY	20.25	22.75	2.50	12.35	23	0.16	0.70	25.13	11.75
NYS	Upjohn Co.	UPJ	43.75	40.88	– 2.88	– 6.57	14	1.36	3.33	49.25	36.00
NYS	Warner-Lambert	WLA	76.25	71.00	– 5.25	– 6.89	18	1.76	2.48	82.25	66.38
OTC	Zenith Labs	ZENL	16.75	17.50	0.75	4.48	47	0.00	0.00	23.25	5.50
Other retailer transactions											
NYS	Albertson's	ABS	37.38	38.50	1.13	3.01	20	0.56	1.45	51.38	32.75
NYS	American Stores	ASC	33.00	32.88	– 0.13	– 0.38	8	0.68	2.07	46.19	26.00
NYS	Giant Food	GFS.A	23.38	24.13	0.75	3.21	14	0.64	2.65	31.25	20.63
NYS	Great Atlantic&Pacific Tea (L)	GAP	26.00	30.00	4.00	15.38	13	0.80	2.67	57.75	25.00
NYS	Kmart (H)	KM	46.13	49.25	3.13	6.78	13	1.76	3.57	49.75	28.50
NYS	Kroger	KR	19.25	19.25	0.00	0.00	13	0.00	0.00	24.50	13.75
NYS	Melville Corp.	MES	44.75	46.63	1.88	4.19	14	1.48	3.17	55.25	38.25
OTC	Fred Meyer (H)	MEYR	26.50	25.50	– 1.00	– 3.77	16	0.00	0.00	28.75	11.75
NYS	Penney, JC	JCP	51.75	56.75	5.00	9.66	17	2.64	4.65	58.25	46.88
NYS	Safeway	SWY	19.13	19.13	0.00	0.00	15	0.00	0.00	21.63	12.88
NYS	Smith's Food & Drug	SFD	35.25	35.50	0.25	0.71	22	0.36	1.01	43.75	30.00
NYS	Wal-Mart	WMT	56.50	54.63	– 1.88	– 3.32	42	0.16	0.29	59.88	30.75

Key: (H) = New annual high reached in the bi-weekly period. (L) = New annual low reached in the bi-weekly period. (d) = Deficit. NYS = New York. ASE = American. OTC = Over the counter. (s) = Reflects stock split.
Source: Nordby International, Inc., Boulder, Colorado (303) 449-0326.

The newspaper of drug store retailing

February 17, 1992

DRUG STORE NEWS

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C 5150-2

Thrifty kept for now as PE exits retail

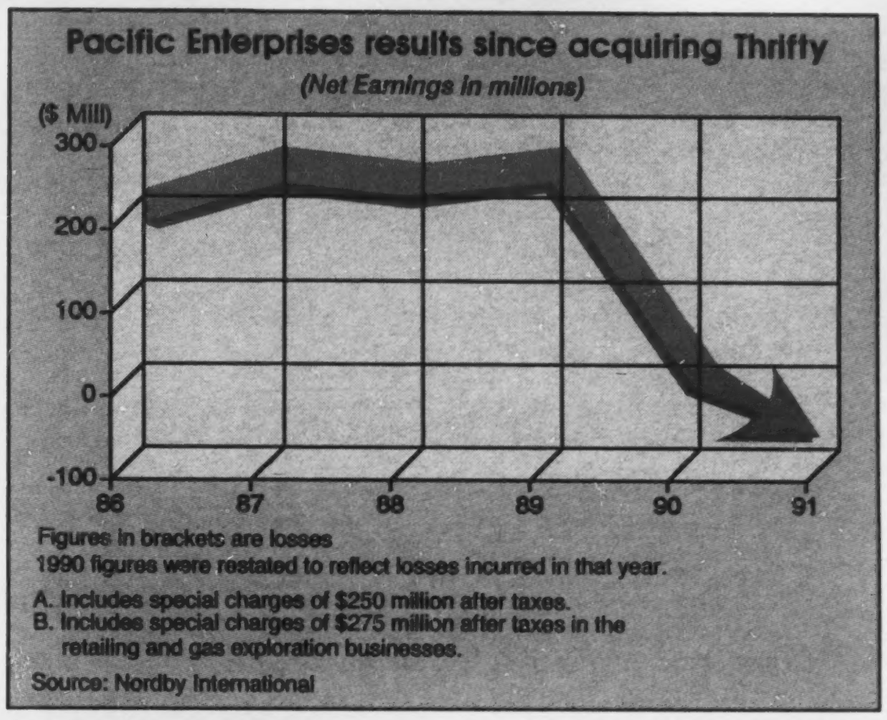
By Allene Symons

LOS ANGELES — Holding company Pacific Enterprises announced a year-end loss of $88 million and revealed plans for a restructuring to divest itself of all businesses except its Southern California Gas Co. and Thrifty Drug Stores.

Assets from the sale of other retail units and an oil and gas exploration company unit will be used to reduce debt. The profitable Thrifty Corp. subsidiary, Seattle-based Pay 'n Save Drug Stores, with 124 outlets, is one of the units to be sold.

Thrifty Corp.'s executive vp, Chris Bement, told *Drug*

See **Pacific** *page 31*



LATE NEWS

• AKRON, Ohio — A U.S. Bankruptcy Court judge has denied a request by Jack Eckerd Corp. for access to additional internal financial reports from Revco D.S. Eckerd argued unsuccessfully in an emergency court hearing Feb. 4 that it needed more information on which to base its takeover proposal for Revco, and said Revco officials were acting to thwart its due diligent access to that information.

• MONTREAL — Shoppers Drug Mart's solid 1991 performance helped fuel 12 percent earnings growth at parent Imasco Ltd. Shoppers/Pharmaprix boosted operating earnings for the year by 9 percent, to $87.9 million (Canadian) on revenues of $161.6 million (Canadian). Same-store sales were up 5 percent.

FEATURES

Rainwear finds its silver lining

Retailers are discovering that rainwear is no longer an "item only" business, but an everyday impulse category. **Page 25.**

Buyers at edge of their seats

Cosmetic buyers went into Christmas '91 with their fingers crossed, and with inventory levels more conservative than ever. **Page 17.**

SECOND CLASS

Hook-SupeRx eyes return to public ownership

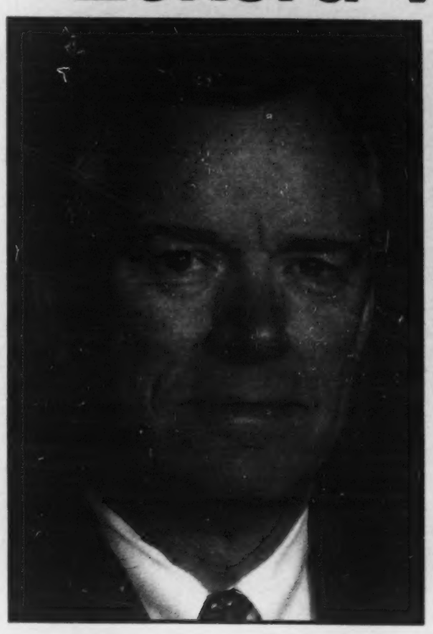
CINCINNATI — Some five years after its managers took the company private in a leveraged buyout, Hook-SupeRx Inc. is mulling a return to the public arena. The company announced Jan. 30 it is exploring making an initial public offering of its stock if and when "market conditions" are right.

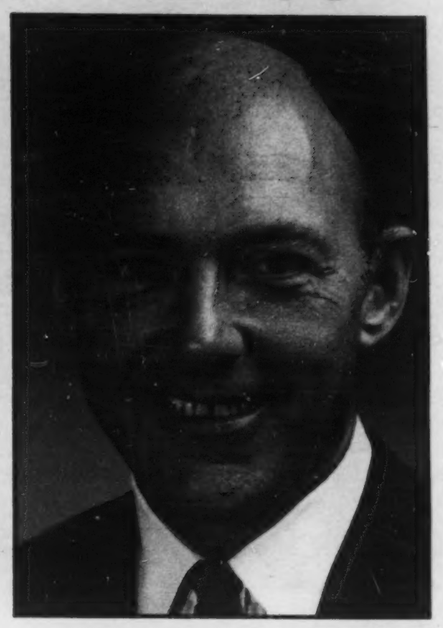
A portion of the offering may include "shares of current shareholders," HSI stated in a release. It is unclear whether those shareholders would include Kroger Co.

Kroger was formerly HSI's parent company before spinning off the drug store division in the mid-1980s, and it retains a 37 percent share of HSI's ownership. However, Kroger spokesman Paul Bernish said it was "far too early" to specu-

See **Hook-SupeRx** *page 31*

Eckerd vs. Revco





Turley outlines plans for Eckerd merger

By James Frederick

CLEARWATER, Fla. — Jack Eckerd Corp. and Revco D.S. continue to collide over the future of the Ohio-based drug chain, with Eckerd reacting angrily to Revco's 11th-hour bid to sway creditors who had earlier endorsed a rival takeover bid by Eckerd.

"We expect Revco's creditors to stand by their agreement with us," said Eckerd chairman, president and ceo Stew Turley in a sharply worded statement. "Three weeks ago, we negotiated in good faith an agreement, and jointly presented it to the court.

"In the interim, we have continued to work with all groups to complete the transaction," Turley continued. "We continue to believe the Eckerd plan still offers superior value to all Revco creditors."

Sweet enough

Separately, Eckerd spokesman Gene Ormond told *Drug Store News* his company had "no need to" again sweeten its offer for Revco. Eckerd says its plan still offers the best value to creditors.

Continued on page 13

Sells, Zell/Chilmark make new cash bid

TWINSBURG, Ohio — In a last-ditch move to remain independent, Revco D.S. has allied itself with an investment group which is making a new, $250 million cash offer to the company's creditors. That offer—by the investment firm Zell/Chilmark Fund L.P.—would allow creditors to swap their stock in a reorganized Revco for $7.47 a share if Revco's reorganization plan is approved by a majority of creditors and U.S. Bankruptcy Court.

Revco has amended its own, sweetened reorganization plan to include the cash buyout proposal from Zell/Chilmark. Under its terms, Revco's trade creditors and holders of subordinated debentures (junk bonds) would receive a combination of cash out of Revco's own coffers and 35 million shares of new common stock in the reorganized company. They would then have the option of selling their shares to Zell/Chilmark immediately upon confirmation of a Revco-sponsored reorganization plan.

If successful, the deal could give the investment firm up to 95 percent of Revco equity. If the plan prevails, it will give

Continued on page 13

Albertson's to buy 74 Jewel/Oscos

Albertson's plans to buy 74 Jewel/Osco combos in Texas, Oklahoma, Florida and Arkansas, in a deal valued at more than $300 million. The stores are expected to show a loss in the fiscal year now ending.

BOISE, Idaho — Albertson's has entered into a letter of intent to buy 74 Jewel/Osco combination food and drug stores from American Stores. The transaction, which includes stores in Texas, Oklahoma, Florida and Arkansas as well as a general merchandise warehouse in Ponca City, Okla., is valued at more than $300 million.

The 74 stores are expected to post sales of around $1.5 billion, but not turn a profit, in the fiscal year ending Feb. 1. Albertson's, which currently operates stores in Texas and Florida,

See related story, page 31.

expects to realize cost efficiencies by adding 74 stores and a warehouse to its base of large stores in the west, south and

See **Albertson's** *page 31*

NEWS IN BRIEF

Perry settles out of court for auto div.

PONTIAC, Mich. — Perry Drug Stores has agreed to an out-of-court settlement that ends four years of legal wrangling over the sale of its auto parts division in 1988.

Perry agreed to pay roughly $2.5 million to settle a dispute with the division's new owners. The dispute arose from a disagreement over accounting charges and other matters arising from Perry's $51 million sale of Auto Works, according to Perry spokesman Berl Falbaum.

The settlement forced Perry to revise downward its fiscal 1991 net earnings, which were adjusted to $3.1 million from $5.6 million to reflect the one-time charge.

Revco: big cash for McDonald Houses

TWINSBURG, Ohio — Revco D.S. raised $250,000 to benefit 33 Ronald McDonald Houses over the Christmas selling season. The funds came through the sale of 100,000 Holiday Nutcrackers.

Revco teamed with Olympic gold medalist Mary Lou Retton to promote the fundraising effort. Retton also acts as corporate spokesperson for the chain.

Ronald McDonald Houses provide temporary quarters for families with children being treated for chronic, serious diseases.

Shoppers to toast suppliers, stores

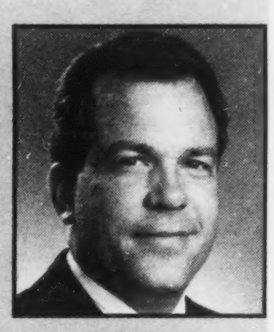
TORONTO — Shoppers Drug Mart will cap a year-long celebration of its 30 years in business with an awards dinner for suppliers, franchisees and support teams March 1. The event, which a spokesman dubbed "an Academy Awards-style gala," will also mark the chain's move past the $3 billion sales mark last year.

In line with the event, the company will produce a 100-page program which details Shoppers' history and accomplishments. "It will be the story of Shoppers Drug Mart, complete with congratulatory ads from our suppliers," said company spokesman Michael Wilson.

The chain will hold a sister event in Vancouver, B.C. for its western operation March 23.

Pay Less promotes 2

Camden



McKillip

WILSONVILLE, Ore. — Pay Less Drug Stores has promoted two executives in a move to promote in-store design and better meet the needs of its marketplace.

Maggie Camden, formerly manager of store planning, has been promoted to director of store planning. Camden was instrumental in the design of the 45-degree store design featured in the chain's new stores. She will work with merchandising, schematics, marketing, real estate and construction to design the presentation of merchandise in stores that the chain is remodeling and will develop new store designs.

Ron McKillip, formerly manager of the Wilsonville distribution center, has been named director of distribution. He will be responsible for the operation of both the Wilsonville and the Woodland, Calif. distribution centers and will oversee construction and the future operation of a new center to be built near Salt Lake City. McKillip will also head the traffic and transportation areas.

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McKesson revamps field force; simplifies 7 regions into 4

McKesson Drug streamlines seven regions into four while shifting more authority to local levels by creating 22 new slots of vp/general manager—each is responsible for one to three DCs.

SAN FRANCISCO — McKesson Drug Co. has restructured its field organization to shift more authority to the local level. In the new structure, seven regional vp spots are supplanted by four positions of senior vp-operations, each with a restructured support staff. The new local management tier consists of 22 vp-general managers. Each vp-gm is in charge of one to three distribution centers and reports to a senior vp of operations.

The four senior vp of operations are Hubie McMorrow, West (Walnut Creek, Calif.); Robert McGuire, Central (Romeoville, Ill.); Gary Folsom, Northeast (Delran Township, N.J.); and Claude Griffin, South (Atlanta). All report to executive vp of operations, Hank Wilde. McMorrow and McGuire were formerly members of the drug company staff in San Francisco. Folsom formerly served as northeast region vp, while Griffin was central region vp.

Each of the senior vps will head a specialized staff that has been restructured to address specific market segments. Staff members include a director of sales and customer service to support independent pharmacies and coordinate the customer service program, a director of national accounts to service chain drug stores, mass merchandisers, grocery and combo stores and a director of hospital and institutional services.

Two new McKesson Drug Co. positions, yet to be filled, are president of hospital and institutional services and vp of nationwide quality improvement. Changes in San Francisco headquarters include the creation of a mangement board of key managers to review and approve major decisions.

Thomas Simone, McKesson Drug Co. president, said the reorganization will result in a more flexible organization, bring decision-making closer to the customer and improve communications. "These changes will put us in the best possible position to compete in an increasingly demanding market and will give each partner in McKesson Drug more participation and involvement in the way we run our business," said Simone.

ActMedia designs instant couponer small enough to shelve with product

By Barbara White

NEW YORK — Couponing at point of sale is far from new, but a new device from ActMedia, the Instant Coupon Machine, has put a new tilt on point-of-purchase couponing.

The Instant Coupon Machine is the latest in the wave of machines that offer customers coupons in the store. Many of these dispense coupons to customers who use touch screen technology to indicate the coupon they wish dispensed.

Merchandising spotlight

ActMedia's machine, which measures three by two inches, fits directly on the shelf next to the merchandise being couponed and dispenses the coupons one at a time.

"The brand managers I've talked to say that point of purchase is becoming more important than FSI coupons," said James Devine, president of Chain Drug Marketing Associates. "People are likely to forget their coupons at home and then decide not to make the purchase. Couponing at the store level can increase turns."

"The unit is a shelf-edge rebate dispenser that is set up, then restocked, by reps," said Jay Ross, director of merchandise at Revco, D.S., Inc., where the machine was tested in 15 stores. The chain plans to introduce the units to all stores this year.

"The unit pays more than shelf talkers in terms of the display allowance. And using it has given us significant increases in turns," he said.

Chains that had not tested the machine introduced it last month. Said an advertising manager at one West Coast chain: "The concept isn't new, but the mechanism itself is innovative. It gets more attention because it almost hands the customer the coupon."

The exec said he also liked the machine since it was sold to manufacturers rather than retailers.

"We think the machine will create more sales," said Doug Palmacci, vp of advertising at Brooks Drug, due at press time to install the machines chainwide at the end of February. "It's an innovative tool that's come a long way since its initial development."

Palmacci said that as more data shows an increase in the number of purchase decisions being made at store level, manufacturers will spend more money on this type of promotion rather than on FSIs.

FoxMeyer to assume May's warehousing, DC

TULSA, Okla. — May's Drug Stores has decided to farm out its warehousing and distribution to FoxMeyer, its primary wholesaler, citing a desire to emphasize its core retail business and add stores.

In so doing, May's may well be heading a trend. Said Tom Anderson, executive vp and chief operationg officer at FoxMeyer: "More customers are talking with us about taking over their warehousing and merchandising. Many are rethinking their position of being in the warehousing business and deciding to spend more of their capital on running their core business."

The Tulsa-based chain will close its 20,000-square-foot Joplin, Mo. warehouse in April in favor of leasing space from FoxMeyer in the wholesaler's Tulsa location. FoxMeyer will assume responsibility for all receiving, storage, order picking, shipping and reclamation functions for the chain.

May's distribution manager David Vineyard will coordinate the merchandise move and will become FoxMeyer's assistant operations director.

Growth is one reason the chain is discontinuing its own warehousing.

"In five short years, May's more than doubled its size to 34 stores," said May's president Gerald Heller. The FoxMeyer site will bring 50 percent more storage space to the chain and enable it to expand warehouse space up to 90,000 square feet. He said that as the chain improves its ability to forward buy and to purchase greater quantities, it could keep its prices more competitive.

Eckerd, HSI may go public as stocks soar

IN THE MARKET
BRUCE BUCKLEY

When Chain Store Age became Drug Store News 13 years ago, there were 22 publicly traded drug chains. Today there are only 11.

Consolidation and leveraged buyouts have trimmed the ranks of public companies. Indeed, a then-and-now comparison of the companies operating under public ownership provides a vivid overview of the chain drug industry as it developed over the past decade. Only six chains remain from that 1979 list: Fay's, Genovese, Longs, Perry, Rite Aid and Walgreens. Among the fallen: Begley, Cunningham, Dart, Drug Fair, Gray Drug. . .

Interestingly, two of the most prominent names on that 13-year-old list may soon be returning to the ranks of publicly traded companies. Jack Eckerd Corp. is moving swiftly on an initial public offering of $300 million, the net proceeds of which will be used to pay down debt. And just this week Hook-SupeRx Inc. said it was entertaining the notion of its own initial public offering, also to retire debt.

Thus, they may join a slew of other companies who have operated under the more flexible, cash-flow-driven goals of LBOs, but are now rushing to return to the glare of Wall St. scrutiny faced by public companies.

The reason, of course, is that the current market for initial public offerings is ideal. Stock prices are at an all-time high and interest rates are almost at rock-bottom—a hothouse environment for IPO growth.

"The market for IPOs is hotter than a pistol right now," says Jonathan Ziegler, financial analyst for Sutro and Co., San Francisco. Ziegler's interest in the chain drug arena slackened in recent years as the number of public companies dwindled. Now his attention is piqued once again, with the prospective return of Eckerd and possibly others down the road.

No one expects a stampede. Consolidation has thinned ranks of possible candidates. But there may be several others whose executives and investors, lured by the chance to trade a load of company debt for equity and at the same time to measure the value of their own investments, will exchange their somewhat more loose-fitting private mantles for tighter public ones.

* * *

Jack Robinson, chairman and ceo of Perry Drug Stores, joins our Editorial Board of Advisers with this issue. I'm pleased to be able to welcome Jack, whom I've known for a number of years, since my first attendance of NACDS's annual meeting—the association's 50th Anniversary in Washington. Jack, a persuasive man, convinced me to part with some money to support the association's Political Action Committee.

Robinson
Perry

Since that time, Jack has never been one to mince words when it comes to our performance at Drug Store News, good or bad. Jack tells it like it is. And that, of course, is exactly what we look for in our board members. Praise is nice to hear, but more important is the counsel that we get on our weaknesses. In a fast-changing information marketplace, we need blunt advisers who will help us shape our product to address the changing needs of our customers, our readers.

Jack is refreshingly blunt in his opinions. Which is not surprising for an entrepreneurial pharmacist who built one of the nation's leading drug store chains from a single store in Detroit that he launched 35 years ago.

For a busy executive, Jack seems to have enough time for everything—business, family and humanitarian causes. Now he's accepted our invitation, and we're looking forward to his contributions.

FTC says aspects of slotting fees are illegal

WASHINGTON PERSPECTIVE
KEN RANKIN

A lot of key drug store product categories are driven by product innovation, real or imagined. New colors, flavors, sizes, styles and brands are constantly adding fresh excitement at cosmetic counters and other corners of the store.

But this product proliferation also creates new costs for drug stores. Adding a new SKU to a chain's inventory control records and creating a "home" for that item on the shelves involve a certain amount of expense. If the new product "bombes", there are still more costs associated with removing that item from the system.

Is it fair to ask suppliers to share some of the retailer's risk, and expense, by paying a shelf placement fee or "slotting" allowance for each new product introduced?

More to the point, perhaps: are such "slotting fees" legal under the antitrust laws?

The Federal Trade Commission has been wrestling with that question for the past several years. Recently, agency antitrusters broke their silence and offered some practical advice on the subject.

According to FTC competition bureau director Kevin Arquit, whether or not a slotting fee is legal under federal antitrust law depends on the "context" in which the allowance is paid. "There is nothing inherent in such a transaction that would make it an antitrust violation," he says.

In what way could slotting fees create legal problems for drug stores?

According to Arquit, "if a group of retailers were to agree on the level of slotting payments they would require from manufacturers, the agreement could be challenged as an unlawful price-fixing agreement among competitors."

Drug chains could also be vulnerable to charges that they are using slotting fees to monopolize markets at the expense of independents. "A retailer might allege that a larger competitor was extracting substantial slotting payments from manufacturers as part of a scheme to monopolize a market through predatory pricing," the FTC antitrust chief explained.

Slotting allowances may also create antitrust exposure for suppliers, Arquit notes. Manufacturers would risk price fixing charges by conspiring among themselves to set slotting fees or to refuse to offer them to retailers, he says.

Additionally, Arquit maintains that certain slotting fee arrangements could create problems for manufacturers under the Robinson-Patman anti-price discrimination act. Offering stock placement allowances to some retailers but not others could be a prescription for antitrust litigation, he contends.

Although it is "perfectly permissible to pay an allowance to secure specific shelf space for its promotional value," it's important that such allowances "be offered to all retailers on a proportionate, non-discriminatory and functionally equivalent basis," the FTC antitruster says.

Does that mean that the XYZ corner drug store is entitled to the same stock placement fee on a case of deodorant that the manufacturer pays the Walgreens or Safeway store across the street? That seems to be what FTC is saying.

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FoxMeyer gains in 3rd qtr. with net income and sales

DALLAS — FoxMeyer Corp. announced an increase in net income to $10.2 million for the third quarter ended Dec. 31, 1991, up 14.7 percent from $8.9 million in the same prior year period.

Operating income rose 43.3 percent in the quarter, to $14.6 million from $10.2 million in the year-earlier quarter. Sales were $788.1 million for the quarter, an increase of 7.4 percent over the previous year's comparable quarter sales of $733.6 million.

Net income for the nine months ended Dec. 31 increased 44.5 percent to $23.2 million from $16 million for the same period in the previous year.

Medicap's fiscal year: winner

WEST DES MOINES, Iowa — Medicap Pharmacies, Inc. has released double digit sales increases for its fiscal year ended June 30, 1991.

Medicap franchised stores that have been open two years or longer had average store sales (based on an average 800 square-foot store) of $600,000 for the fiscal year ended June 30, 1991. That represents an increase of 16.8 percent from $548,000 for the same period in the previous year.

Overall store sales, including new stores, were $43.7 million for the year ended June 30, 1991, up 23.5 percent from $35.5 million for the same period in 1990. Projected network sales are $55 million for the year ending June 30, 1992. About 90 percent of that volume came from prescriptions.

Victor Boutrous, Medicap's director of marketing, attributed the growth to the company's continued emphasis on personal service which, he said, would become increasingly important in the '90s.

Medicap currently operates 82 franchised stores.

Record 3rd qtr. for Cardinal

DUBLIN, Ohio — Cardinal Distribution announced record sales and earnings for its third quarter ended Dec. 31, 1991.

Net sales increased 44 percent in the third quarter to $453.4 million compared to $315.7 million in the comparable period the year before. Net earnings also increased 44 percent to $6.5 million from $4.5 million last year.

For the first nine months of fiscal 1991, net sales improved 38 percent to $1.164 billion from $843 million last year.

The third quarter sales increase includes a 25 percent internal growth rate and the acquisition of Chapman Drug Co., which was completed in October.

Safeway's income declines

OAKLAND — Safeway, Inc. reported modest sales growth, but a decline in net income for the fiscal year ended Dec. 28, 1991. Sales rose 1.7 percent to $15.1 billion from $14.8 billion in 1990, with same-store sales flat for the year.

Operating profit, impacted by a $115 million charge associated with the bankruptcy of AppleTree Markets, declined to $433.3 million from $535.3 million. The third-quarter AppleTree charge and early debt retirement resulted in a fourth quarter loss of $47.7 million compared to a net income of $27.7 million in the same period 1990. For the year, net income declined to $54.9 million from $87.1 million.

Tepid sales gains were attributed to reduced consumer spending, low food price inflation and heightened competition in some markets. Improvement in gross profit, up 0.5 percent in 1991, resulted in part from private-label sales, additional store specialty departments and inventory management systems.

Safeway operates 880 stores in the U.S. and 237 in Canada; more than half of the Safeway stores have pharmacies.

MARKET DIARY:

Largest Dollar Gainer	Merck Co.	$ 7.38
Largest Dollar Loser	Mylan Labs	$ – 2.75
Largest Percentage Gainer	Zenith Labs	27.14%
Largest Percentage Loser	Barr Laboratories	– 12.10%

Advances	39
Declines	17
Unchanged	4
New highs	5
New lows	0

	Close 1/21/92	Close 2/4/92	Net Change	Percent Change
Drug Store News Index	4986.56	5093.27	106.71	2.14
Dow Jones Industrial Average	3223.39	3272.81	49.42	1.53
Standard & Poor's 500-Stock Index	411.82	413.85	2.03	0.49
N.Y.S.E. Composite	227.64	228.79	1.15	0.51
Value Line Index	257.37	262.03	4.66	1.81

Source: Nordby International Inc., Boulder, Colo.

DRUG STORE NEWS INDEX

Exch	Company	Ticker Symbol	Closing Price 1/21/92	Closing Price 2/4/92	Net Change In Period	Percent Change In Period	P/E Ratio	Annual Dividend Rate	Annual Dividend Yield	Annual High	Annual Low
Chain store transactions											
OTC	Accuhealth Inc.	ACCU	5.00	4.50	– 0.50	– 10.00	—	0.00	0.00	6.88	3.47
OTC	Arbor Drugs (H)	ARBR	23.50	23.75	0.25	1.06	26	0.12	0.51	25.25	14.00
OTC	Big B	BIGB	12.38	12.00	– 0.38	– 3.03	16	0.16	1.33	14.50	7.38
OTC	Drug Emporium	DEMP	8.38	8.13	– 0.25	– 2.99	—	0.12	1.48	9.63	5.50
NYS	Fay's Inc.	FAY	10.50	10.38	– 0.13	– 1.19	17	0.20	1.93	15.75	8.25
ASE	Genovese Drug	GDX.A	13.75	12.25	– 1.50	– 10.91	13	0.24	1.96	14.75	6.50
NYS	Longs Drug Stores	LDG	37.75	39.00	1.25	3.31	14	1.08	2.77	44.38	33.38
OTC	Medicine Shoppe	MSII	26.75	26.25	– 0.50	– 1.87	20	0.36	1.37	30.75	19.00
NYS	Perry Drug (H)	PDS	9.38	10.50	1.13	12.00	18	0.00	0.00	10.50	5.50
NYS	Rite Aid Corp.	RAD	21.00	21.50	0.50	2.38	15	0.52	2.42	23.88	17.25
NYS	Walgreen Co.	WAG	38.00	38.63	0.63	1.64	24	0.52	1.35	39.38	28.63
Wholesaler's transactions											
ASE	Bergen Brunswig	BBC	17.50	17.38	– 0.13	– 0.71	13	0.40	2.30	26.19	16.00
OTC	Bindley Western Ind. (H)	BIND	17.00	19.13	2.13	12.50	15	0.04	0.21	19.13	12.88
OTC	Cardinal Distribution	CDIC	27.50	30.75	3.25	11.82	25	0.08	0.26	38.75	22.50
OTC	Durr-Fillauer	DUFM	21.63	23.75	2.13	9.83	16	0.28	1.18	34.75	17.50
NYS	McKesson Corp.	MCK	35.38	33.50	– 1.88	– 5.30	15	1.60	4.78	40.13	31.75
ASE	Moore Medical	MMD	4.88	4.75	– 0.13	– 2.56	—	0.00	0.00	9.25	3.00
NYS	Owens & Minor	OMI	21.00	20.63	– 0.38	– 1.79	24	0.20	0.97	24.25	11.16
Manufacturer's transactions											
NYS	Abbott Labs	ABT	62.00	64.25	2.25	3.63	25	1.00	1.56	69.75	44.75
NYS	American Home Products	AHP	76.75	80.00	3.25	4.23	18	2.60	3.25	86.25	54.75
ASE	Barr Laboratories	BRL	19.63	17.25	– 2.38	– 12.10	27	0.00	0.00	37.50	11.75
NYS	Baxter International	BAX	37.38	37.38	0.00	0.00	18	0.72	1.93	40.88	30.00
OTC	Block Drugs Co.	BLOCA	60.00	59.88	– 0.13	– 0.21	19	0.88	1.47	61.00	42.47
ASE	Bolar Pharmaceutical	BLR	13.50	13.63	0.13	0.93	—	0.00	0.00	14.50	3.00
NYS	Bristol-Myers Squibb	BMY	81.75	81.75	0.00	0.00	21	2.76	3.38	90.13	72.38
NYS	Carter-Wallace	CAR	114.75	121.00	6.25	5.45	40	1.00	0.83	137.50	58.75
ASE	Columbia Labs	COB	8.88	8.88	0.00	0.00	—	0.00	0.00	10.38	4.75
ASE	Forest Labs	FRX	36.00	36.88	0.88	2.43	34	0.00	0.00	43.63	28.25
ASE	Halsey Drug	HDG	7.88	8.13	0.25	3.17	33	0.00	0.00	9.75	3.00
NYS	ICN Pharmaceutical	ICN	22.38	23.38	1.00	4.47	—	0.00	0.00	25.38	3.50
ASE	Lee Pharmaceutical	LPH	1.50	1.50	0.00	0.00	—	0.00	0.00	2.25	0.75
ASE	Leiner P. Nutrition	PLI	14.38	14.50	0.13	0.87	16	0.00	0.00	14.63	10.13
NYS	Lilly Eli Co.	LLY	79.00	78.75	– 0.25	– 0.32	18	2.20	2.79	87.75	69.50
NYS	Marion Merrell Dow	MKC	36.13	36.25	0.13	0.35	18	0.92	2.54	39.63	27.25
NYS	Merck Co.	MRK	151.50	158.88	7.38	4.87	29	2.52	1.59	169.75	93.75
NYS	Mylan Labs	MYL	35.75	33.00	– 2.75	– 7.69	33	0.20	0.61	43.25	21.13
NYS	Nova-Nordisk	NVO	85.38	86.25	0.88	1.02	21	0.60	0.70	96.00	61.00
OTC	Nutramax Products (H)	NMPC	9.50	10.75	1.25	13.16	30	0.00	0.00	11.00	0.78
NYS	Pfizer Inc.	PFE	73.63	74.13	0.50	0.68	27	1.48	2.00	87.00	48.25
NYS	Pharmaceutical Resources	PRX	7.00	7.25	0.25	3.57	—	0.00	0.00	7.50	2.63
NYS	Rhone-Poulenc Rorer	RPR	61.25	65.63	4.38	7.14	28	0.56	0.85	69.38	37.50
NYS	Schering Plough	SGP	58.88	61.50	2.63	4.46	20	1.32	2.15	68.00	45.50
NYS	Syntex Corp.	SYN	49.00	49.13	0.13	0.26	26	0.92	1.87	56.00	34.25
OTC	Taro-Vit Industries	TAROF	8.88	8.63	– 0.25	– 2.82	72	0.00	0.00	9.13	3.25
OTC	Teva Pharmaceutical Ind.	TEVIY	22.75	24.00	1.25	5.49	24	0.16	0.67	25.13	11.75
NYS	Upjohn Co.	UPJ	40.88	42.50	1.63	3.98	14	1.36	3.20	49.25	37.63
NYS	Warner-Lambert	WLA	71.00	69.75	– 1.25	– 1.76	66	2.04	2.92	82.25	66.38
OTC	Zenith Labs	ZENL	17.50	22.25	4.75	27.14	60	0.00	0.00	23.25	6.25
Other retailer transactions											
NYS	Albertson's	ABS	38.50	42.50	4.00	10.39	23	0.56	1.32	51.38	32.75
NYS	American Stores	ASC	32.88	33.38	0.50	1.52	9	0.68	2.04	46.19	26.00
NYS	Giant Food	GFS.A	24.13	24.63	0.50	2.07	14	0.64	2.60	31.25	20.63
NYS	Great Atlantic&Pacific Tea	GAP	30.00	31.50	1.50	5.00	14	0.80	2.54	57.75	25.00
NYS	Kmart (H)	KM	49.25	49.88	0.63	1.27	13	1.76	3.53	51.25	33.50
NYS	Kroger	KR	19.25	19.63	0.38	1.95	14	0.00	0.00	24.50	15.38
NYS	Melville Corp.	MES	46.63	48.13	1.50	3.22	15	1.48	3.08	55.25	38.25
OTC	Fred Meyer	MEYR	25.50	27.25	1.75	6.86	17	0.00	0.00	28.75	14.25
NYS	Penney, JC	JCP	56.75	56.88	0.13	0.22	17	2.64	4.64	58.25	47.13
NYS	Safeway	SWY	19.13	18.38	– 0.75	– 3.92	29	0.00	0.00	21.63	15.00
NYS	Smith's Food & Drug	SFD	35.50	39.63	4.13	11.62	24	0.44	1.11	43.75	30.25
NYS	Wal-Mart	WMT	54.63	55.50	0.88	1.60	43	0.16	0.29	59.88	33.50

Key: (H) = New annual high reached in the bi-weekly period. (L) = New annual low reached in the bi-weekly period. (d) = Deficit. NYS = New York. ASE = American. OTC = Over the counter. (s) = Reflects stock split.
Source: Nordby International, Inc., Boulder, Colorado (303) 449-0326.

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